

The President's Daily Brief

23 August 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

23 August 1973

PRINCIPAL DEVELOPMENTS

The Senate election in South Vietnam next Sunday is almost certain to result in an impressive victory for the government, bringing the number of its supporters in the Senate from about half to nearly three quarters. (Page 1)

The Soviets have been holding a series of high-level meetings with their European allies in CEMA aimed at strengthening economic cooperation, perhaps in preparation for closer contacts with the EC. (Page 2)

[redacted]

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The major oil companies in Libya have been given until August 25 to accept 51-percent control by the government or be nationalized. The companies say they will not give in. (Page 4)

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(Page 5)

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President Allende is facing rising dissatisfaction from both the right and the left [redacted]

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[redacted] (Page 6)

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Notes on a possible showdown between Souvanna Phouma and the rightists over the negotiations, Romania's failure to wangle an invitation to the nonaligned summit, and the USSR's refusal to sign a treaty banning nuclear weapons in Latin America appear on Page 7.

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SOUTH VIETNAM

The Senate election on Sunday is almost sure to result in an impressive victory for the government.

Four slates of candidates are competing for 31 of the Senate's 60 seats. The slate receiving the most votes will elect 16 members and the runner-up slate will elect 15. A slate composed of members of President Thieu's Democracy Party and one headed by former foreign minister Tran Van Lam, also closely identified with the government, are heavily favored. The two non-government slates consist of individuals little known to the public.

Government supporters will hold 70 to 75 percent of the Senate seats if the front-runners win on Sunday. The Senate has been about evenly divided between pro- and anti-government forces. The government already has a majority in the lower house.

It seems unlikely that the Communists will make a major effort to disrupt the Senate election or to embarrass the government. Reports from scattered areas indicate that some Viet Cong are trying to persuade voters not to go to the polls or to cast blank ballots if they are forced to vote. Similar reports have preceded almost all recent national elections, but the balloting has almost always gone off quietly in most areas.

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USSR - EASTERN EUROPE

The Soviets have been holding a series of high-level meetings with their allies aimed at strengthening cooperation within CEMA, perhaps in preparation for closer contacts with the EC. The Polish Premier came to Moscow on August 14, followed two days later by the Hungarian Premier. Their East German counterpart was there on Monday, while the Bulgarian Premier also arrived that day.

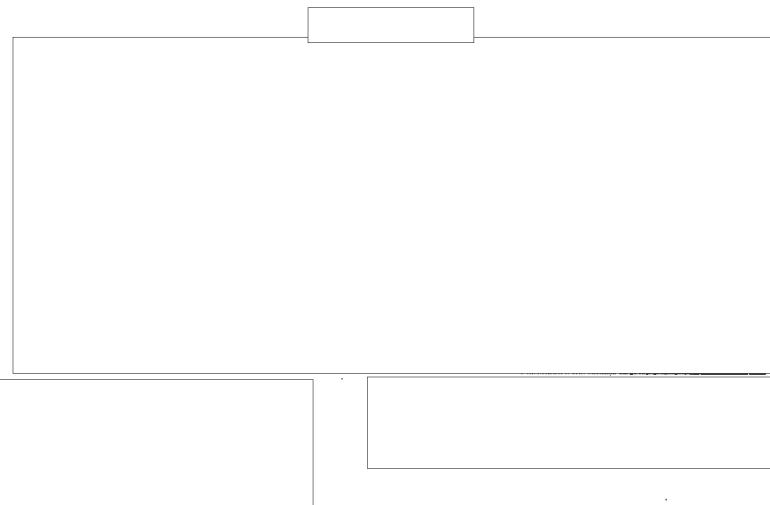
The Soviet delegation was headed in each case by Premier Kosygin. Other officials in the delegation were people concerned with economic matters and CEMA. Official reports on the meetings indicate that the stress was on the integration of CEMA members' economies and coordination of the 1976-80 national economic development plans as a means to that end. Vital aspects of this problem, such as production specialization and Moscow's supply of raw materials to its partners, were also considered, according to a Moscow broadcast.

Only the Romanians and Czechs of the European CEMA members have not sent economic delegations to Moscow.

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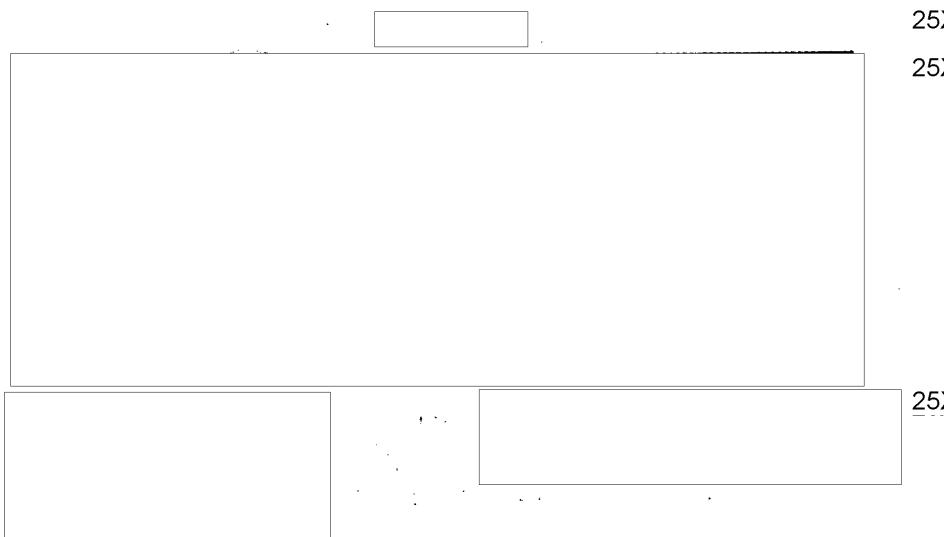
Recent Soviet expressions of readiness to begin a CEMA dialogue with the EC have apparently given new impetus to Moscow's effort to increase CEMA cohesion and perhaps make its structure at least superficially compatible with the EC. Moscow may be using this rationale to advance its campaign for greater bloc cohesion.

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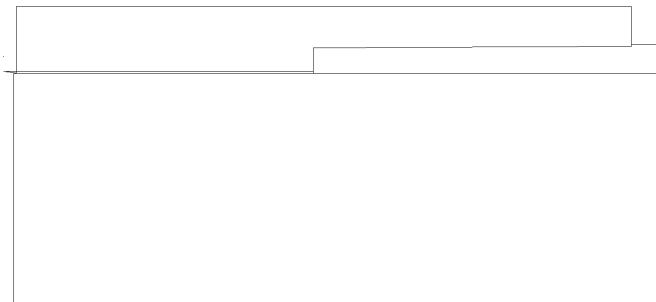
ARAB STATES - USSR

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LIBYA

Representatives of the major oil companies in Libya--Exxon, Royal Dutch Shell, Standard Oil of California, Texaco, and Mobil--have been informed by Prime Minister Jallud that they must give Tripoli 51-percent control by August 25 or be completely nationalized. Company representatives say they do not intend to give in, and will fight Tripoli through legal action after the takeover.

The major companies produce 31 percent of the country's oil, and would undoubtedly try to prevent the sale of oil from their fields if they are nationalized. Nevertheless, Libya could make up well over half the loss by increasing production from fields already under government control; the smaller companies that have already acquiesced to Libya's demand for 51-percent participation would have no trouble marketing the oil.

Seventy percent of Libya's oil is exported to Western Europe. The US imports a small amount of Libyan oil, and some is blended with other oil and refined in the Caribbean for export to the US. In all, about 5 percent of current US oil imports come from Libya--about 2 percent of total domestic consumption.

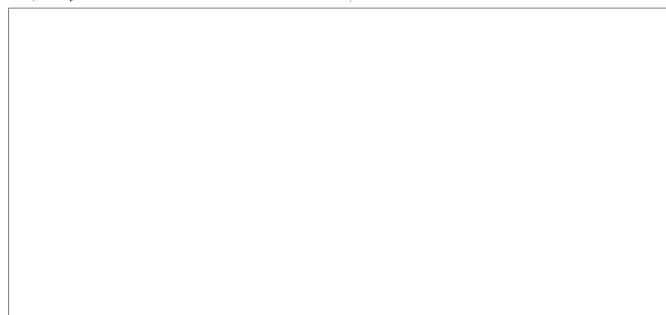
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UNITED ARAB EMIRATES



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CHILE

Pro-government groups are counter-demonstrating after the short but effective strikes which took place yesterday among opposition shopkeepers, professionals, and workers. The Socialists, for example, led a women's march on the presidential palace on August 21.

Evidence of rising dissatisfaction with the government, from both right and left, continues to accumulate.

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The radical Socialists, on the other hand, continue to complain that Allende is being too responsive to military pressure.

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NOTES

Laos: Prime Minister Souvanna Phouma is heading for a showdown with his rightist critics over the political settlement with the Communists. Souvanna has scheduled a joint meeting of the cabinet and senior Lao Army officers for today. He will seek approval to sign the protocol implementing the February peace agreement on the condition that the Communists grant one final concession--equal status for the Communist and rightist deputy prime ministers in a new coalition government. If the participants fail to back him up, Souvanna has implied he will resign.

Romania: Bucharest apparently has been told it will not be allowed to attend the nonaligned summit in Algiers next month. A recent Algerian commentary stresses that members of military blocs "cannot have the status of observers, nor of guests, at nonaligned meetings." The turn-down will disappoint the Romanians, who had tried hard for an invitation largely in order to loosen their ties to the USSR. The setback is not likely to deter them from further attempts to call attention to the similarities between Romania and the developing world.

USSR - Latin America: China has signed the Treaty of Tlatelolco, which bans nuclear weapons in Latin America. The Soviet Union is now the only nuclear power that has not signed. All Latin American states except Cuba and Brazil are parties to the treaty, and last spring President Echeverria succeeded in getting a French and Chinese commitment to sign. The Soviets turned him down, and there is no indication of any softening in Moscow's position.

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